

House File 104 - Introduced

HOUSE FILE 104

BY PETTENGILL

A BILL FOR

1 An Act relating to the property tax exemption for the value
2 added by certain geothermal heating or cooling systems and
3 including applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, subsection 38, paragraphs a and b,
2 Code 2015, are amended to read as follows:

3 a. The value added by any new or refitted construction or
4 installation of a geothermal heating or cooling system on or
5 after July 1, 2012, on property classified as residential,
6 or the value added by any new or refitted construction or
7 installation of a geothermal heating or cooling system on or
8 after July 1, 2015, on property classified as multiresidential,
9 commercial, industrial, or agricultural. ~~The exemption~~
10 ~~shall be allowed for ten consecutive years.~~ The exemption
11 shall apply to any value added by the addition of mechanical,
12 electrical, plumbing, ductwork, or other equipment, labor,
13 and expenses included in or required for the construction
14 or installation of the geothermal system, as well as the
15 proportionate value of any well field associated with the
16 system and attributable to the owner.

17 b. A person claiming an exemption under this subsection
18 shall obtain the appropriate forms from the assessor. The
19 forms shall be prescribed by the director of revenue. The
20 claim shall be filed no later than February 1 of the first
21 assessment year the exemption is requested and shall contain
22 information pertaining to all costs and other information
23 associated with construction and installation of the system.
24 Once the exemption is allowed, the exemption shall continue to
25 be allowed for ~~ten consecutive~~ successive years without further
26 filing as long as the property continues to be classified as
27 residential, multiresidential, commercial, industrial, or
28 agricultural property.

29 Sec. 2. IMPLEMENTATION. Section 25B.7 does not apply to the
30 property tax exemption enacted in this Act.

31 Sec. 3. APPLICABILITY. This Act applies to assessment years
32 beginning on or after January 1, 2016.

33 EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 Current Code section 427.1(38) provides a property
2 tax exemption on the value added by any new or refitted
3 construction or installation of a geothermal heating or cooling
4 system on or after July 1, 2012, on property classified as
5 residential. Under current law, that exemption is allowed for
6 10 consecutive years.

7 This bill authorizes the exemption for the refitted
8 construction or installation of a geothermal heating or cooling
9 system on property classified as multiresidential, commercial,
10 industrial, or agricultural property.

11 The bill also removes the 10-year limitation on the duration
12 of the exemption.

13 The bill makes inapplicable Code section 25B.7. Code
14 section 25B.7 provides that for a property tax credit or
15 exemption enacted on or after January 1, 1997, if a state
16 appropriation made to fund the credit or exemption is not
17 sufficient to fully fund the credit or exemption, the political
18 subdivision shall be required to extend to the taxpayer only
19 that portion of the credit or exemption estimated by the
20 department of revenue to be funded by the state appropriation.

21 The bill applies to assessment years beginning on or after
22 January 1, 2016.